

PILLSBURY WINTHROP SHAW PITTMAN LLP
MICHAEL CHIBIB, P.C. (admitted *pro hac vice*)
michael.chibib@pillsburylaw.com
401 Congress Ave., Suite 1700
Austin, TX 78701-3797
Telephone: 512.580.9609
Facsimile: 512.580.9601

PILLSBURY WINTHROP SHAW PITTMAN LLP
JEFFREY D. WEXLER (SBN 132256)
jeffrey.wexler@pillsburylaw.com
TIMOTHY RAWSON (SBN 304755)
tim.rawson@pillsburylaw.com
725 South Figueroa Street, Suite 2800
Los Angeles, CA 90017-5406
Telephone: 213.488.7100
Facsimile: 213.629.1033

Attorneys for Plaintiff and Counterdefendant UM
CORPORATION and Counterdefendants GOLDEN
MEDIA GROUP, INC. and TIGA
ENTERTAINMENT COMPANY, LTD.

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION

UM CORPORATION, a Japanese
corporation,

Plaintiff,

v.

TSUBURAYA PRODUCTIONS CO.,
LTD., a Japanese corporation,

Defendant.

Case No. 2:15-cv-03764-AB (AJWx)

**PLAINTIFF AND
COUNTERDEFENDANT UM
CORPORATION'S MEMORANDUM
OF POINTS AND AUTHORITIES IN
OPPOSITION TO TSUBURAYA
PRODUCTIONS CO., LTD.'S
MOTION FOR SUMMARY
JUDGMENT**

Date: July 24, 2017
Time: 10:00 a.m.
Location: Courtroom 7B

AND RELATED CROSS-CLAIMS

Motion Hrng. Cutoff: July 24, 2017
Pretrial Conf.: October 16, 2017
Trial: November 7, 2017

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION	1
FACTUAL BACKGROUND	3
A. The Parties’ Dealings and the 1976 Agreement.....	3
B. Prior Lawsuits.....	6
1. The First Japanese Lawsuit.	6
2. The Second Japanese Lawsuit.....	7
3. The Thai and Chinese Lawsuits.	7
PROCEDURAL HISTORY	8
LEGAL STANDARD.....	8
LEGAL ARGUMENT.....	9
I. THE COURT SHOULD DENY SUMMARY JUDGMENT ON THE INTERPRETATION OF THE 1976 AGREEMENT.....	9
A. Because the Japanese Courts Would Not Afford Issue Preclusive Effect to Their Interpretation of the 1976 Agreement, This Court Should Not, as a Matter of Comity, Afford Such Effect.....	9
B. The Japanese Courts Have Not Ruled on UMC’s Rights Under United States Law as an Exclusive Licensee of the Copyrights to the Ultraman Works.....	14
C. Genuine Issues of Material Fact Preclude Summary Judgment on the Issue Whether the 1976 Agreement Conveys the Right to Make Adaptations.	15
II. THE COURT SHOULD DENY SUMMARY JUDGMENT ON UMC’S CLAIM FOR COPYRIGHT INFRINGEMENT.....	18
III. THE COURT SHOULD DENY SUMMARY JUDGMENT ON UMC’S CLAIM FOR BREACH OF CONTRACT.....	19
A. Neither Comity Nor Res Judicata Bars UMC’s Claim for Breach of Contract.	19
B. Genuine Issues of Material Fact Preclude Summary Judgment on UMC’s Claim for Breach of Contract.	20
C. Issue Preclusion Does Not Apply to the Japanese Court’s Ruling on the Bandai Non-Contravention Agreement.	20

TABLE OF CONTENTS
(cont'd)

	<u>Page</u>
D. UMC's Claim for Breach of Contract is Not Preempted by the Copyright Act.	21
IV. THE COURT SHOULD DENY SUMMARY JUDGMENT ON UMC'S CLAIM FOR INTENTIONAL INTERFERENCE WITH CONTRACT.....	23
A. There are Genuine Issues of Material Fact as to UMC's Claim for Intentional Interference with Contract.....	23
B. UMC's Claim for Intentional Interference with Contract is Not Preempted by the Copyright Act.	24
CONCLUSION	25

TABLE OF AUTHORITIES

Page

CASES

<i>Alfadda v. Fenn</i> , 966 F. Supp. 1317 (S.D.N.Y. 1997)	12, 13
<i>Allarcom Pay Television, Ltd. v. Gen. Instrument Corp.</i> , 69 F.3d 381 (9 th Cir. 1995)	22
<i>Anderson v. Liberty Lobby, Inc.</i> , 477 U.S. 242 (1986)	8, 9
<i>Ascherman v. General Reins. Corp.</i> , 183 Cal. App. 3d 307 (1986)	23
<i>Beijing Zhongyi Zhongbiao Elec. Inf. Tech. v. Microsoft Corp.</i> , 2013 WL 6979555 (W.D. Wash. Oct. 31, 2013)	9
<i>Benay v. Warner Bros. Entmt., Inc.</i> , 607 F.3d 620 (9 th Cir. 2010)	19
<i>Celotex Corp. v. Catrett</i> , 477 U.S. 317 (1986)	19
<i>Creazioni Artistiche Musicali, S.r.l. v. Carlin America, Inc.</i> , 2016 WL 7507757 (S.D.N.Y. Dec. 30, 2016)	14
<i>Feist Pubs., Inc. v. Rural Tel. Serv. Co.</i> , 499 U.S. 340 (1999)	19
<i>Folex Golf Indus., Inc. v. O-Ta Precision Indus. Co., Ltd.</i> , 603 Fed. Appx. 576 (9 th Cir. 2015)	10
<i>Frank v. United Airlines, Inc.</i> , 216 F.3d 845 (9 th Cir. 2000)	19
<i>General Mills, Inc. v. Filmtel Int’l Corp.</i> , 577 N.Y.S.2d 384, 178 A.D.2d 296 (1991)	25
<i>Gordon & Breach Science Publishers S.A. v. Am. Inst. of Physics</i> , 905 F. Supp. 169 (S.D.N.Y. 1995)	11
<i>Hartford Fire Ins. Co. v. California</i> , 509 U.S. 764 (1993)	12
<i>In re Duncan</i> , 713 F.2d 538 (9 th Cir. 1983)	14
<i>In re Reynoso</i> , 477 F.3d 1117 (9 th Cir. 2007)	21

TABLE OF AUTHORITIES
(cont'd)

		<u>Page</u>
1		
2		
3	<i>In re Simon</i> ,	
4	153 F.3d 991 (9 th Cir. 1998).....	12
5	<i>Itar-Tass Russian News Agency v. Russian Kurier, Inc.</i> ,	
6	153 F.3d 82 (2d Cir. 1998).....	14
7	<i>Jacobsen v. Katzer</i> ,	
8	609 F. Supp. 2d 925 (N.D. Cal. 2009).....	22
9	<i>Lawlor v. National Screen Serv. Corp.</i> ,	
10	349 U.S. 322 (1955).....	19
11	<i>Maersk, Inc. v. Neewra, Inc.</i> ,	
12	2010 WL 2836134 (S.D.N.Y. July 9, 2010)	10
13	<i>Maloney v. T3Media, Inc.</i> ,	
14	853 F.3d 1004 (9 th Cir. 2017),.....	22, 25
15	<i>Media.net Advert. FZ-LLC v. NetSeer, Inc.</i> ,	
16	156 F. Supp. 3d 1052 (N.D. Cal. 2016).....	25
17	<i>Minebea Co., Ltd. v. Papst</i> ,	
18	444 F. Supp. 2d 68 (D.D.C. 2006)	17
19	<i>Morris v. Atchity</i> ,	
20	2009 WL 463971 (C.D. Cal. Jan. 13, 2009)	22
21	<i>Mujica v. AirScan Inc.</i> ,	
22	771 F.3d 580 (9 th Cir. 2014).....	12
23	<i>Mujica v. Occidental Petroleum Corp.</i> ,	
24	381 F. Supp. 2d 1134 (C.D. Cal. 2005)	9, 10
25	<i>Murray v. British Broad. Corp.</i> ,	
26	906 F. Supp. 858 (S.D.N.Y. 1995),	
27	<i>aff'd</i> , 81 F.3d 287 (2d Cir. 1986).....	14
28	<i>Pac. Gas & Elec. Co. v. Bear Stearns & Co.</i> ,	
	50 Cal. 3d 1118 (1990)	23
	<i>Paulo v. Holder</i> ,	
	669 F.3d 911 (9 th Cir. 2011).....	14
	<i>ProCD, Inc. v. Zeidenberg</i> ,	
	86 F.3d 1447 (7 th Cir. 1996).....	22
	<i>RA Global Servs., Inc. v. Avicenna Overseas Corp.</i> ,	
	843 F. Supp. 2d 386 (S.D.N.Y. 2012)	10, 11
	<i>Ryan v. Editions Ltd. West, Inc.</i> ,	
	786 F.3d 754 (9 th Cir. 2015).....	22

TABLE OF AUTHORITIES
(cont'd)

		<u>Page</u>
3	<i>Simmtech Co., Ltd. v. Citibank, N.A.</i> ,	
4	2016 WL 4184296 (S.D.N.Y. Aug. 3, 2016).....	13
5	<i>Smentek v. Dart</i> ,	
6	683 F.3d 373 (7 th Cir. 2012).....	9
7	<i>Spinks v. Equity Residential Briarwood Apartments</i> ,	
8	171 Cal. App. 4 th 1004 (2009).....	23, 24
9	<i>Stromback v. New Line Cinema</i> ,	
10	384 F.3d 283 (6 th Cir. 2004).....	25
11	<i>Welles v. Turner Entmt. Co.</i> ,	
12	503 F.3d 728 (9 th Cir. 2007).....	16

STATUTES

12	17 U.S.C. § 101	15
13	17 U.S.C. § 106	15, 18, 22
14	17 U.S.C. § 106(2)	15
15	17 U.S.C. § 201(d)(1)	15
16	17 U.S.C. § 201(d)(2)	15
17	17 U.S.C. § 301	21, 22
18	17 U.S.C. § 301(b)(3)	24
19	17 U.S.C. § 501(a)	15
20	Cal. Civ. Code § 1641	17
21	Code of Civil Procedure of Japan, Art. 114(1)	11

RULES

23	Fed. R. Civ. P. 56(a)	8
24	Fed. R. Evid. 403	2
25	Fed. R. Evid. 804(b)(1)	3

MISCELLANEOUS

27	K. Clermont, <i>A Global Law of Jurisdiction and Judgements: Views from</i> <i>the United States and Japan</i> , 37 Cornell Int'l L.J. 1 (2004)	11
----	--	----

TABLE OF AUTHORITIES
(cont'd)

	<u>Page</u>
1 M. Nimmer & D. Nimmer, <i>Nimmer on Copyright</i> , § 1.01[B] (2016)	22
Restatement (Second) of Conflict of Laws, § 95, cmt. g (1988 revision)	11
Restatement (Second) of Conflict of Laws, § 98, cmt. g (1988 revision)	11
Restatement (Third) of The Foreign Relations Law of the United States, § 481, cmt. c	10
18 Wright, Miller & Cooper, Federal Practice & Procedure § 4473	10

1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **INTRODUCTION**

3 This case arises from an agreement (the “1976 Agreement”) in which
4 defendant and counterclaimant Tsuburaya Productions Co., Ltd. (“TPC”) conveyed
5 certain rights to Ultraman television shows and movies to Sompote Saengduenchai
6 (“Sompote”), the predecessor to plaintiff and counterdefendant UM Corporation
7 (“UMC”).¹ Having convinced the Court not to afford issue preclusive effect to the
8 judgments by the Japanese and Chinese courts rejecting TPC’s argument that the
9 1976 Agreement was forged, TPC now asks the Court to afford issue preclusive
10 effect to certain statements made by a single Japanese court, affirmed on appeal,
11 concerning the scope of rights conveyed by the 1976 Agreement or, failing that, to
12 interpret the 1976 Agreement in the manner urged by TPC.² TPC also asks the
13 Court to find that UMC’s state law claims are preempted by the Copyright Act.

14 TPC’s motion for summary judgment against UMC’s claim for copyright
15 infringement fails for multiple reasons. First, this Court should not afford issue
16 preclusive effect to statements made by the Japanese courts unless the Japanese
17 courts would afford such preclusive effect to such statements, and the Japanese
18 courts would not afford claim preclusive or issue preclusive effect to the
19 statements relied upon by TPC; Japanese law does not recognize issue preclusion,

20
21 _____
22 ¹ TPC has no factual basis for its assertion that Sompote has chosen not to
23 participate in this lawsuit to allow “his son to do his bidding” or that he “is simply
24 waiting on the sidelines.” Dkt. 136 at 1:24 – 2:3. The undisputed evidence
25 demonstrates that Sompote is estranged from his son Perasit Saengduenchai, and
26 that UMC is adverse to Sompote. Additional Facts (“AF”) 63.

27 ² TPC is incorrect in claiming that “[w]ithout exception, each [foreign] court has
28 concluded that the alleged 1976 Document . . . did not transfer any rights to
Sompote to create new or derivative works based on the ‘original’ Ultraman works
that were identified in the document” or that this argument “has been raised and
rejected many times before.” Dkt. 136 at 2:14-19, 18:19-21. That issue was
addressed by only a single Japanese trial court, which was affirmed on appeal, and
its opinion was based upon an incorrect translation of the 1976 Agreement. No
court before this one has been asked to address the issue of the rights under U.S.
law of an exclusive licensee of a copyright.

1 and the portions of the opinions relied upon by TPC would not be given claim
2 preclusive effect because they are not set forth as holdings at the start of an
3 opinion. The Japanese courts would, however, afford preclusive effect to their
4 holding that Sompote holds exclusive exploitation rights outside of Japan to the
5 works identified in the 1976 Agreement. Under the Berne Convention and U.S.
6 case law, it is U.S. law – not Japanese law – that defines the scope of copyright
7 rights held by UMC as an exclusive copyright licensee under the 1976 Agreement.
8 As an exclusive licensee, UMC has the right to create derivative works and to
9 bring an infringement claim as to any work that is substantially similar to the
10 works as to which UMC is an exclusive licensee. TPC has made no attempt to
11 dispute that the Ultraman works that it has distributed in the United States are
12 substantially similar to the works as to which UMC is an exclusive licensee.

13 For the same reason, UMC's claim for breach of contract is not barred by
14 claim preclusion or issue preclusion. As demonstrated by the declaration of
15 UMC's legal expert Takashi Ejiri, there is, at a minimum, a genuine issue of
16 material fact as to the proper interpretation of the scope of rights conveyed by the
17 1976 Agreement.³ UMC's claim for breach of contract is not preempted by the
18 Copyright Act because: (1) the Copyright Act preempts only claims brought under
19 state law, and UMC's claim for breach of contract is brought under Japanese law;
20 (2) the Ninth Circuit recognizes that the Copyright Act generally does not preempt
21 contract claims; and (3) the Copyright Act does not in any event preempt UMC's
22 claim to the extent that it seeks recovery based upon TPC's extraterritorial conduct
23 because the Copyright Act does not extend to extraterritorial conduct.

24
25
26 ³ As shown in UMC's evidentiary objections filed concurrently herewith, because
27 TPC's legal expert Toshiaki Iimura was a judge in one of the Japanese lawsuits, he
28 is barred as an ethical matter under both Japanese and U.S. law from serving as an
expert in this matter, and the probative/prejudicial balance of Fed. R. Evid. 403
also requires exclusion of his opinions. Without Judge Iimura's testimony, TPC
has no expert testimony supporting its interpretation of the 1976 Agreement.

1 UMC's claim for intentional interference with contract is not preempted
2 because that claim is based upon TPC's false statements concerning the scope of
3 UMC's rights – conduct that is not actionable under the Copyright Act. UMC has
4 standing to seek relief for TPC's interference with UMC's contract with its
5 licensee counterdefendant TIGA Entertainment Company, Ltd. ("TIGA"), and as
6 an intended third-party beneficiary of TIGA's contract with its sublicensee Golden
7 Media Group, Inc. ("GMG"); the evidence shows that TPC both knew of UMC's
8 relationship with TIGA and GMG and sought to interfere with those relationships.⁴

9 **FACTUAL BACKGROUND**

10 **A. The Parties' Dealings and the 1976 Agreement.**

11 Sompote worked with Eiji Tsuburaya, TPC's founder, in the early 1960s.
12 Additional Fact ("AF") 32. As of the mid-1970s, TPC was in poor financial
13 condition, AF 33, and it owed Sompote hundreds of thousands of dollars for
14 unreimbursed film production costs, an unpaid loan, and amounts received by TPC
15 for selling films belonging to Sompote without his permission.⁵ AF 34.

17 ⁴ TPC devotes considerable space and rhetoric to disputed factual issues on which
18 it has not sought summary judgment. TPC argues that it would be inequitable if
19 UMC holds the rights conveyed by the 1976 Agreement, Dkt. 136 at 1:3-18, but
20 UMC expects to prove that there would be nothing inequitable about holding TPC
21 to a deal that its president made 40 years ago, at a time when TPC was in poor
22 financial condition and its survival hinged upon getting Sompote to forgive a debt
23 of hundreds of thousands of dollars. AF 33-34, 47. TPC notes that the courts in
24 Thailand have held that the Agreement is forged and claims that it will be able to
25 prove at trial that the Agreement is forged, Dkt. 136 at 1:22-24, 2:4-6, but UMC
26 expects that at trial the finder of fact will conclude, as have the courts in Japan and
27 China, that the 1976 Agreement is authentic.

28 ⁵ These facts are established by the testimony of Sompote at trial in Thailand and
supported by documentary evidence. TPC claims that UMC will be unable to offer
testimony from Sompote at trial. Dkt. 136 at 12 n.1. However, UMC will be able
to offer Sompote's prior trial testimony in Thailand under Fed. R. Evid. 804(b)(1),
because Sompote (1) is unavailable as a witness (he is in Thailand, *see* Dkt. 136 at
10:14-22, beyond the subpoena power, and he is estranged from his son Perasit,
AF 62, is adverse to UMC, AF 63, and will not cooperate with UMC) and (2)
offered his prior testimony in proceedings where TPC had an opportunity and
similar motive to develop his testimony. The fact that Sompote's default prevents
him from defending himself in this action, Dkt. 136 at 10:27 – 11:3, has no effect
on UMC's ability to offer Sompote's prior testimony into evidence in this matter.

1 In a License Granting Agreement dated March 4, 1976 (the “1976
2 Agreement”), “Tsuburaya prod. and Enterprises Co., Ltd.” granted Sompote
3 licenses concerning two movies and seven television series⁶ of “[e]xclusive rights
4 to all territories except Japan for indefinite period.” AF 35. Article 3 identified the
5 conveyed rights as including, *inter alia*, “Reproduction Right” (Art. 3.3),
6 “Copyright” (Art. 3.4), and “Reproduction of all models and characters used in the
7 production of the films mentioned in article 1 under the original character by any
8 material and in any form for commercial purposes” (Art. 3.7). AF 37. The 1976
9 Agreement is signed with the name “Noboru Tsuburaya,” TPC’s then-president,
10 appears on letterhead of the type being used by Tsuburaya Enterprises in 1976, and
11 bears a Hanko seal from Tsuburaya Enterprises that appears to be the same as the
12 Hanko seal that Tsuburaya Enterprises registered with the Tokyo Legal Affairs
13 Bureau and that appears on Tsuburaya letterhead stamped with a known seal.⁷ AF
14

15 ⁶ The two movies were identified as “Giant vs. Jambo ‘A’” and “Haruman [*sic*]
16 and the Seven Ultraman.” AF 36. The seven television series were identified as:
17 (1) “Ultraman 1 ‘Ultra Q’”; (2) “Ultraman 2”; (3) “Ultraman Seven”; (4) “Return
Ultraman”; (5) “Ultraman Ace”; (6) “Ultraman Taro”; and (7) “Jamborg Ace.” *Id.*

18 ⁷ Although TPC is not moving for summary judgment on the issue of the 1976
19 Agreement’s authenticity, it includes a lengthy footnote in which it (1) previews
20 the testimony of its handwriting expert Lloyd Cunningham and (2) attacks UMC’s
21 handwriting expert. Dkt. 136 at 12 n.1. Mr. Cunningham was provided with 29
22 known signatures from Noboru Tsuburaya (and the parties’ handwriting experts
23 have considered only about 50 documents with his signature). AF 41-42. In a
24 Thai lawsuit in 1998, TPC employee Jimmy Ugawa testified that there were
25 “thousands” of signatures from Noboru Tsuburaya, but that he had provided only a
26 handful of documents to a handwriting examiner engaged to offer expert testimony
27 in that lawsuit. AF 43. Mr. Cunningham acknowledged that a client’s choice of
28 signatures to provide to a forensic document examiner can be “self-serving” and
that ideally the examiner should be provided as many known signatures as
possible. AF 44. He also acknowledged that some persons have both formal and
informal signatures (formal signatures are those that appear on important
documents, such as “some type of important contract,” and sometimes autographs),
and that “[t]here are times when formal signatures versus informal signatures
cannot be associated.” AF 45. Mr. Cunningham’s testimony that the signature
“Noboru Tsuburaya” on the 1976 Agreement is not authentic hinges upon: (1) his
conclusion that three signatures of “Noboru Tsuburaya” that appear similar to the
signature on the 1976 Agreement (two autographs on photographs, and one on an
agreement) were also not authentic; and (2) his assumption that the alleged forger
must have had samples of Noboru Tsuburaya’s signature other than those that
Sompote was known to have had because the alleged forger would not have

1 38-40. In exchange for the rights conveyed by the 1976 Agreement, Sompote
2 agreed to forego repayment of the hundreds of thousands of dollars owed him by
3 TPC; the 1976 Agreement stated that “the amount in full has already been received
4 for the License,” but did not identify such amount. AF 34, 47.

5 In or about 1984, Sompote created a movie that was distributed in Thailand
6 as Hanuman and the 11 Ultraman and internationally as Space Warriors 2000,
7 combining footage from Hanuman and the Seven Ultraman with footage from
8 Ultraman Zoffy, a 1984 movie released by TPC that included footage of characters
9 from Ultraman works not included in the 1976 Agreement. AF 48. Prior to 1996,
10 Sompote also licensed Thai TV stations to broadcast Ultraman shows.⁸ AF 49.

11 In a July 23, 1996 letter, TPC’s then-president, Kazuo Tsuburaya,
12 acknowledged that the 1976 Agreement gave Sompote exclusive rights in
13 territories including Thailand to works identified in the 1976 Agreement. AF 50.
14 Thereafter, TPC reneged on that acknowledgment, AF 51, and litigation
15 commenced, with TPC claiming that the 1976 Agreement was not authentic.

16 On January 29, 1998, Sompote entered into three related agreements with
17 Bandai-related entities – (1) the Bandai Non-Contravention Agreement, with
18 Bandai; (2) the Megahouse Assignment Agreement, with Bandai subsidiary
19 Megahouse; and (3) the Megahouse Letter, an option agreement for Megahouse to
20 execute in order to obtain a license to the Ultraman works covered by the 1976
21 Agreement in the event that UMC proved the validity of the 1976 Agreement. AF
22 52. Megahouse has never exercised that option. AF 53.

23
24
25 modeled the signature “Noboru Tsuburaya” after the “N. Tsuburaya” signatures in
the produced documents that Sompote’s companies would have had. AF 46.

26 UMC’s expert in forensic document examination is qualified by education and
27 experience, and his testimony will establish the authenticity of the signature, seal,
and letterhead used on the 1976 Agreement.

28 ⁸ TPC’s claim that “Sompote did not exercise his purported rights under” the 1976
Agreement until 1995, Dkt. 136 at 12 n.1, is thus flatly incorrect.

1 In a March 4, 2007 Assignment Agreement, Sompote transferred to his son,
2 Perasit Saengduenchai (“Perasit”), all of Sompote’s rights under the 1976
3 Agreement. AF 54. In a December 24, 2008 Assignment Agreement, Perasit
4 transferred to UMC all of his rights under the 1976 Agreement. AF 55.

5 UMC and TIGA entered into a January 1, 2011 Licensing Agreement under
6 which UMC granted TIGA, its agent, rights to use outside of Japan the works
7 covered by the 1976 Agreement, and TIGA agreed to pay UMC 70% of all
8 revenues received outside of Thailand.⁹ AF 56. TIGA entered into three licenses
9 with GMG to release Ultraman programs in the U.S. AF 57. In an August 1, 2014
10 License Agreement, GMG agreed to pay TIGA for the rights to release Ultraman
11 Taro, and TIGA promised to make all payments due for the grant of rights. AF 58.
12 Because of TPC’s claims that UMC and TIGA did not own rights to Ultraman
13 Taro, GMG withheld the payments that were due under the Ultraman Taro license.
14 AF 59.

15 **B. Prior Lawsuits.**

16 **1. The First Japanese Lawsuit.**

17 In a February 28, 2003 Judgment, the Tokyo District Court held that
18 Sompote did not own the copyrights in Japan or outside of Japan to any of the
19 works identified in the 1976 Agreement, and that Sompote could not state to any
20 third party in Japan that he owned the copyrights outside of Japan or that
21 transactions with TPC outside of Japan would infringe Sompote’s copyrights. *See*
22 February 28, 2003 Judgment at 1 [Dkt. 141-2]. On December 10, 2003, the Tokyo
23 Appellate Court issued a Judgment in which it further declared that Sompote
24 owned the exclusive exploitation rights outside of Japan to all of the works
25

26 ⁹ In arguing that UMC has made only limited efforts to “grow the Ultraman
27 brand,” Dkt. 136 at 9:5-12, TPC ignores the fact that UMC’s interrogatory
28 response identified only “efforts other than those engaged in to market, develop, or
exploit Ultraman products themselves.” UMC’s Response to Interrogatory No. 24
(Posner Decl., Ex. S, at 6-7 [Dkt. 138-2]).

1 identified in the 1976 Agreement.¹⁰ *See* December 10, 2003 Judgment at 1 (Ex. B
2 to UMC's Request for Judicial Notice). Tellingly, neither TPC nor its legal expert
3 acknowledged that the Tokyo Appellate Court so held. *See* Dkt. 136 at 6:27 – 7:3;
4 Declaration of Toshiaki Iimura, ¶¶ 9-10 [Dkt. 139].

5 **2. The Second Japanese Lawsuit.**

6 In 2009, Sompote filed a lawsuit against TPC in Tokyo District Court; UMC
7 intervened in that lawsuit. On September 30, 2010, the Tokyo District Court filed
8 a Judgment in which it held that TPC was required to pay UMC 16.36 million yen.
9 *See* September 30, 2010 Judgment at 1-2 [Dkt. 141-4]. On July 27, 2011, the
10 Japanese Intellectual Property High Court filed a Judgment in which it held that
11 TPC was not required to make that payment to UMC.¹¹ *See* July 27, 2011
12 Judgment at 1 [Dkt. 141-6].

13 **3. The Thai and Chinese Lawsuits.**

14 As TPC notes, the parties have also litigated in Thailand and China, with the
15 Thai courts holding that the 1976 Agreement is forged and the Chinese courts
16 holding that it is authentic.¹² Dkt. 136 at 5:22 – 6:5, 8:21-27.

17
18 ¹⁰ The Tokyo District Court's Judgment included, in the body of the Judgment but
19 not in the holdings, a detailed and exhaustive analysis finding that the 1976
20 Agreement was authentic, bearing Noboru's signature and an authentic company
21 seal. *See* February 28, 2003 Judgment at 22-32 [Dkt.141-2]. The Tokyo Appellate
22 Court affirmed that finding. *See* December 10, 2003 Judgment at 1-2, 19-29 (Ex.
23 B to UMC's Request for Judicial Notice).

24 ¹¹ The Tokyo District Court's Judgment included, in the body of the Judgment but
25 not in the holdings, statements that Sompote did not have the right to prepare or
26 distribute derivative works, or to prevent TPC from doing so. *See* September 30,
27 2010 Judgment at 44-45 [Dkt.141-2]. In the body of the Judgment but not in the
28 holdings, the Intellectual Property High Court made the same statements, and also
made statements that the Bandai Non-Contravention Agreement waived claims
against TPC. *See* July 27, 2011 Judgment at TPC00050119, TPC00050124 [Dkt.
141-6]. As discussed below, under Japanese law preclusive effect is to be afforded
only to holdings, not to statements made in discussion. *See* Declaration of Takashi
Ejiri, ¶¶ 52-60.

¹² Because TPC's motion does not seek preclusive effect based on the Thai or
Chinese judgments, those judgments are immaterial to the issues presented in this
motion. The Thai courts imposed criminal liability on Sompote based on a finding
the 1976 Agreement is forged – a finding that is contrary to those of the Japanese
and Chinese courts and is immaterial to any issue raised by this motion.

PROCEDURAL HISTORY

On May 19, 2015, UMC filed its Complaint [Dkt. 1], naming TPC as the sole defendant and alleging claims for copyright infringement, breach of contract, intentional interference with contractual relations, and declaratory relief. Dkt. 1 at 11-15, ¶¶ 33-56. On September 11, 2015, TPC filed its Answer, Affirmative Defenses and Counterclaims [Dkt. 19], naming UMC, Ultraman USA, Inc., Sompote, GMG, and TIGA as counterdefendants and alleging counterclaims for copyright infringement and declaratory relief. Dkt. 19 at 24-26, ¶¶ 46-54.

On July 25, 2016, UMC moved for judgment on the pleadings or, in the alternative, summary judgment, arguing that the Court should apply the doctrine of international comity to grant issue preclusive effect to holdings by the Japanese and Chinese courts that the 1976 Agreement was not a forgery. Dkt. 76-1. In opposition, TPC argued that the Court should, for a variety of reasons, not afford comity to those holdings. Dkt. 83. On September 22, 2016, the Court denied UMC's motion based on the inconsistent Thai judgments. Dkt. 110.

On September 22, 2016, the Court entered Sompote's default.¹³ Dkt. 112. TPC filed, then withdrew, a request for default judgment. Dkts. 122, 124.

LEGAL STANDARD

A summary judgment motion may be granted only when the evidence shows that "there is no genuine issue as to any material fact and that the movant is entitled to judgment as a matter of law." Fed. R. Civ. P. 56(a). "[S]ummary judgment will not lie if the dispute about a material fact is 'genuine,' that is, if the evidence is such that a reasonable [fact finder] could return a verdict for the

¹³ TPC's implication to the contrary, Dkt. 136 at 10:13 – 11:12, Sompote's alleged evasion of service and his default has no effect upon UMC's position in this lawsuit. Perasit, Sompote's son and a principal of UMC, is estranged from his father, and the two have spoken no more than four times in the past 10 to 12 years; Sompote has no involvement in UMC. AF 62. In noting that UMC has been in contact with Sompote as recently as June 2015, Dkt. 136 at 11:6-12, TPC fails to inform the Court that UMC at that time sent Sompote a cease-and-desist letter demanding that he stop infringing on UMC's rights. AF 63.

1 nonmoving party.” *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248 (1986).
2 “The evidence of the non-movant is to be believed, and all justifiable inferences
3 are to be drawn in his favor.” *Id.* at 255. “[C]redibility determinations, the
4 weighing of the evidence, and the drawing of legitimate inferences from the facts
5 are jury functions, not those of a judge [when] he is ruling on a motion for
6 summary judgment.” *Id.*

7 LEGAL ARGUMENT

8 **I. THE COURT SHOULD DENY SUMMARY JUDGMENT ON THE** 9 **INTERPRETATION OF THE 1976 AGREEMENT.**

10 **A. Because the Japanese Courts Would Not Afford Issue Preclusive** 11 **Effect to Their Interpretation of the 1976 Agreement, This Court** 12 **Should Not, as a Matter of Comity, Afford Such Effect.**

13 While TPC argues that UMC has “previously recognized” in its motion for
14 summary judgment that “the judgments of the Japanese courts are entitled to
15 recognition in this Court as a matter of international comity,” Dkt. 136 at 13:10-12,
16 TPC argued in opposition to that motion that the Court should exercise its
17 discretion to decline to afford preclusive effect to those judgments based upon
18 factors in addition to conflicting foreign judgments, including the lack of adequate
19 discovery in Japan and substantial evidence contradicting the foreign judgments,
20 Dkt. 83 at 13:1 – 14:19, 20:6-26, 22:3 – 23:6. TPC cannot foreclose UMC from
21 making the same arguments against issue preclusion on this motion.

22 In opposing UMC’s motion for summary judgment, TPC argued at length
23 that comity is a *discretionary* doctrine:

24 *First*, with respect to comity, it is well settled that federal courts are
25 “not required to accept, at face value, the factual and legal conclusions
26 of a foreign court.” *Beijing Zhongyi Zhongbiao Elec. Inf. Tech. v.*
27 *Microsoft Corp.*, 2013 WL 6979555, at *4 (W.D. Wash. Oct. 31,
28 2013) (declining to follow judgment of Chinese court). Therefore,
“unlike *res judicata*,” the doctrine of comity “**does not require but**
merely permits preclusion.” *Smentek v. Dart*, 683 F.3d 373, 376 (7th
Cir. 2012) (emphasis added); *see also Mujica v. Occidental Petroleum*
Corp., 381 F. Supp. 2d 1134, 1155 (C.D. Cal. 2005) (federal comity is
“an essentially voluntary deference to the acts of other governments,
undertaken for the common good even though no transnational

1 institution exists to exert any compulsion” (quoting 18 Wright, Miller
2 & Cooper, Federal Practice & Procedure sect. 4473)). Accordingly,
3 “[t]he decision to grant comity is a matter within a court’s discretion
4 and the burden of proof to establish its appropriateness is on the
5 moving party.” *Maersk, Inc. v. Neewra, Inc.*, 2010 WL 2836134, at
6 *10 (S.D.N.Y. July 9, 2010) (quotation omitted).

7 Dkt. 83 at 13:4-20 (emphasis in original).

8 Here, the Court should exercise its discretion not to afford any issue
9 preclusive effect to the Japanese courts’ statements as to infringement and the right
10 to make derivative works because: (1) the Japanese courts themselves would most
11 likely not afford issue preclusive effect to those statements; and (2) the Japanese
12 courts were not presented with, and did not consider, the issue of U.S. law at issue
13 in this motion. *See* Declaration of Takashi Ejiri (“Ejiri Decl.”), ¶¶ 52-60.

14 “A foreign judgment is generally entitled to recognition by courts in the
15 United States to the same extent as a judgment of a court of one State in the courts
16 of another State. As in the case of a sister-State judgment, ***a judgment of a foreign
17 country ordinarily has no greater effect in the United States than in the country
18 where the judgment was rendered.***” Restatement (Third) of The Foreign
19 Relations Law of the United States, § 481, cmt. c (emphasis added). *See, e.g.,*
20 *Folex Golf Indus., Inc. v. O-Ta Precision Indus. Co., Ltd.*, 603 Fed. Appx. 576,
21 578-79 (9th Cir. 2015) (declining to give issue preclusive effect to a Chinese
22 court’s judgment because expert evidence showed that “Chinese law does not
23 recognize the principle of third-party collateral estoppel (issue preclusion)”;
24 relying on California law that “if another United States jurisdiction does not give
25 preclusive effect to its judgments, California will not give preclusive effect to those
26 judgments”); *RA Global Servs., Inc. v. Avicenna Overseas Corp.*, 843 F. Supp. 2d
27 386, 389 (S.D.N.Y. 2012) (“New York law does not ‘give more conclusive effect
28 to a foreign judgment than it would be accorded by the courts of the jurisdiction

1 which rendered it’’) (citation omitted).¹⁴ Thus, in opposing UMC’s motion for
2 summary judgment, TPC identified “***lack of reciprocity***—neither Switzerland nor
3 Germany recognizes the doctrine of collateral estoppel and thus would not
4 recognize a judgment rendered by an American court” as a factor that led a court to
5 refuse deference to foreign judgments. Dkt. 83 at 14:1-9 (quoting *Gordon &*
6 *Breach Science Publishers S.A. v. Am. Inst. of Physics*, 905 F. Supp. 169, 179
7 (S.D.N.Y. 1995)) (emphasis added by TPC).

8 As a general matter, Japanese courts do not recognize issue preclusion. *See*
9 K. Clermont, *A Global Law of Jurisdiction and Judgements: Views from the*
10 *United States and Japan*, 37 Cornell Int’l L.J. 1, 12 (2004) (“[t]he Japanese law
11 comprises a narrow form of claim preclusion applicable only to claims actually
12 asserted and contains no true issue preclusion”). Under Article 114(1) of the Code
13 of Civil Procedure of Japan, the only portions of a Japanese court’s opinion that are
14 entitled to even claim preclusive effect are those included in the “main text,” at the
15 start of the opinion. *See* Ejiri Decl., ¶¶ 52-53. The Japanese courts have great
16 discretion whether to use the doctrine of good faith to bar a party from relitigating
17 previously litigated issues, but Japanese courts are less likely to apply the doctrine
18 of good faith to prevent the presentation of new legal arguments or facts that were
19 not presented in a prior lawsuit (even if those arguments or facts could have been
20 presented in the prior lawsuit). *See id.*, ¶¶ 58-60.

21 According to UMC’s Japanese law expert Mr. Ejiri, a Japanese court would
22 be unlikely to apply the doctrine of good faith to prevent UMC from litigating the
23 following issues, none of which were presented to the courts in Japan: (1) the

24
25 ¹⁴ This is the same rule that applies to sister-State judgments. *See* Restatement
26 (Second) of Conflict of Laws, § 95, cmt. g (1988 revision) (“***[t]he local law of the***
27 ***State where the judgment was rendered determines***, subject to constitutional
28 limitations, ***whether, and to what extent, the judgment is conclusive as to the***
issues involved in a later suit between the parties, or their privies, upon a different
claim) (emphasis added) (discussing sister-State judgments); *id.*, § 98, cmt. g (1988
revision) (“[a] foreign nation judgment . . . will be given the same degree of
recognition as a sister State judgment”).

1 effect on the scope of rights conveyed by the 1976 Agreement by the incorrect
2 translation of “Reproduction” used by the prior courts; (2) the copyright rights
3 under foreign law held under the 1976 Agreement by the exclusive licensee of
4 exploitation rights outside of Japan, both with regard to exploitation of rights and
5 assertion of infringement claims; and (3) the interpretation of the Bandai Non-
6 Contravention Agreement in conjunction with the two documents entered into
7 concurrently therewith. *See id.*, ¶¶ 29-36, 60.

8 “[T]he general principles of international comity [are] limited to cases in
9 which “there is in fact a true conflict between domestic and foreign law.”” *In re*
10 *Simon*, 153 F.3d 991, 999 (9th Cir. 1998) (quoting *Hartford Fire Ins. Co. v.*
11 *California*, 509 U.S. 764, 798 (1993)). Here, there is no true conflict because the
12 Japanese courts would likely not apply issue preclusion in this case, and this
13 Court’s failure to apply issue preclusion would be consistent with Japanese law.
14 “Comity is a ‘rule of “practice, convenience, and expediency” rather than of law’
15 that courts have embraced ‘to promote cooperation and reciprocity with foreign
16 lands.’” *Mujica v. AirScan Inc.*, 771 F.3d 580, 597-98 (9th Cir. 2014) (internal
17 citations omitted). These policies would not be furthered by giving preclusive
18 effect to a foreign court’s judgment going beyond the preclusive effect that the
19 foreign court would have given that judgment. Because comity would not be
20 promoted by issue preclusion, the Court should exercise its discretion and decline
21 to afford issue preclusive effect to the Japanese judgments.¹⁵

22
23 ¹⁵ In its motion for summary judgment, UMC noted that “[t]here is a split in
24 authority as to whether a federal court giving preclusive effect to the judgment of a
25 foreign court should apply the preclusion law of the foreign jurisdiction or U.S.
26 preclusion law,” but stated the Court need not resolve that issue because preclusion
27 should apply under either U.S. or Japanese law. Dkt. 76-1 at 19:8-18 (citing
28 *Alfadda v. Fenn*, 966 F. Supp. 1317, 1326-30 (S.D.N.Y. 1997), as summarizing the
split in law, then “conclud[ing] that a federal court should normally apply either
federal or state law, depending on the nature of the claim, to determine the
preclusive effect of a foreign country judgment”). In asserting that *Alfadda* held
that “[i]n cases involving federal questions,” like the present case, “federal courts
generally apply federal law to determine whether to recognize a foreign court
judgment,” Dkt. 136 at 15 n.2 (quoting *Alfadda*, 966 F. Supp. at 1325), TPC cites

1 TPC notes that its motion differs from UMC's motion in that there are no
2 conflicting foreign judgments. Dkt. 136 at 13:26 – 14:4. While the Court found
3 the existence of conflicting foreign judgments defeated UMC's argument for issue
4 preclusion, UMC's motion for issue preclusion was stronger than TPC's motion in
5 that the Tokyo District Court's September 30, 2010 Judgment applied the doctrine
6 of good faith to bar TPC from relitigating the issue of the validity of the 1976
7 Agreement,¹⁶ *see* September 30, 2010 Judgment at 42-44 [Dkt. 141-4], while no
8 Japanese court has ever held that Sompote or UMC is barred from relitigating any
9 of the issues as to which TPC seeks preclusive effect in this motion.

10 TPC argues that "unlike the fact-based rulings from Japan regarding the
11 validity of the alleged 1976 Document, the question of the meaning of that contract
12 is a matter of Japanese law . . . , rendering it more important to apply comity to the
13 Japanese courts' rulings on that issue."¹⁷ Dkt. 136 at 14:5-16. However, the
14 validity of the 1976 Agreement also raises an issue of Japanese law, so TPC's
15 motion is no different than UMC's motion in this regard.

17 the *Alfadda* court's statement that federal law is generally applied to determine
18 whether to **recognize** a foreign judgment, not its analysis as to the law to be
19 applied to determine whether to give **preclusive effect** to a foreign judgment, *see*
20 *Alfadda*, 966 F. Supp. at 1325-30. While *Simmtech Co., Ltd. v. Citibank, N.A.*,
21 2016 WL 4184296, at *8 (S.D.N.Y. Aug. 3, 2016), found that federal courts were
22 not confined to using the foreign court's mechanisms for preclusion law, it
23 acknowledged the Restatement rule that the judgment of a foreign court ordinarily
24 has no greater preclusive effect in the U.S. court than it would in the foreign court.
25 *See id.* Neither *Alfadda* nor *Simmtech* questioned the discretion of federal courts to
26 decline to afford preclusive effect to a foreign court's decision where, as here, the
27 foreign court would not afford preclusive effect to its own decision.

23 ¹⁶ This ruling allowed UMC to argue that issue preclusion was appropriate
24 because the Japanese courts had already applied issue preclusive effect to its prior
25 statements on validity, Dkt. 76-1 at 19:23 – 20:3; there was no need to speculate
26 whether the Japanese courts would have used the doctrine of good faith to give
27 issue preclusive effect to such ruling.

26 ¹⁷ The testimony from Mr. Ejiri cited by TPC in support of this proposition stated
27 only that Japanese law applies to interpretation of the 1976 Agreement. *See* Ejiri
28 Depo. at 37:5-13, 141:10-17 (Ex. T to Posner Decl. [Dkt. 138-3]). Mr. Ejiri said
nothing to suggest that the validity of the 1976 Agreement did not present an issue
of Japanese law, much less that it would be more important to apply comity to
issues of contractual interpretation than issues of contractual validity.

1 **B. The Japanese Courts Have Not Ruled on UMC's Rights Under**
2 **United States Law as an Exclusive Licensee of the Copyrights to**
3 **the Ultraman Works.**

4 In asking the Court to afford preclusive effect to statements by the Japanese
5 courts as to UMC's rights under the 1976 Agreement, TPC disregards the fact that
6 it is U.S. law – not Japanese law – that governs UMC's rights as an exclusive
7 licensee under the 1976 Agreement. As TPC acknowledges, issue preclusion can
8 apply only to issues that were actually litigated and necessarily decided by a prior
9 judgment. Dkt. 136 at 14:24 – 15:5 (quoting *In re Duncan*, 713 F.2d 538, 541 (9th
10 Cir. 1983), and *Paulo v. Holder*, 669 F.3d 911, 917 (9th Cir. 2011)). Because the
11 Japanese courts have not ruled on the scope of UMC's rights under U.S. law, there
12 is no issue preclusion as to the scope of UMC's rights on its copyright claim.

13 Ownership of copyrights is to be determined according to the law of the
14 country where a work is first published, but the law of the country in which
15 infringement is claimed governs the “substantive rights” of the copyright holder,
16 including the “scope of protection” afforded to the copyright. *Itar-Tass Russian*
17 *News Agency v. Russian Kurier, Inc.*, 153 F.3d 82, 88-92 (2d Cir. 1998) (“the
18 [Berne] Convention's principle of national treatment simply assures that if the law
19 of the country of infringement applies to the scope of substantive copyright
20 protection, that law will be applied uniformly to foreign and domestic authors”);
21 *Murray v. British Broad. Corp.*, 906 F. Supp. 858, 862 (S.D.N.Y. 1995)
22 (“[n]ational treatment [under the Berne Convention] ensures that the substantive
23 law of the country in which infringement is alleged will govern a claim, even if the
24 law of that country differs from the law of the country in which the work was
25 created”), *aff'd*, 81 F.3d 287 (2d Cir. 1986).¹⁸

26 ¹⁸ *Creazioni Artistiche Musicali, S.r.l. v. Carlin America, Inc.*, 2016 WL 7507757,
27 *5-9 (S.D.N.Y. Dec. 30, 2016), cited by TPC, Dkt. 136 at 17:4-7, applied Italian
28 law to conclude an agreement did not assign copyright rights. The court concluded
29 that no copyright rights had been assigned under Italian law, so it did not address
30 the issue – presented here – of the application of U.S. copyright law to a claim by a
31 party holding exclusive exploitation rights under a contract subject to foreign law.

1 As the Japanese courts held, the 1976 Agreement constitutes an exclusive
2 license, outside of Japan, to the Ultraman works identified therein. Under U.S.
3 law, an “exclusive license” constitutes a “transfer of copyright ownership.” 17
4 U.S.C. § 101. *See* 17 U.S.C. § 201(d)(2) (“[a]ny of the exclusive rights comprised
5 in a copyright, including any subdivision of the rights specified by section 106,
6 may be transferred as provided by [17 U.S.C. § 201(d)(1)] and owned separately”).

7 Under U.S. law, which governs the substantive rights of UMC as the
8 exclusive licensee under the 1976 Agreement, UMC as “the owner of copyright
9 under this title has the exclusive rights to do and to authorize any of the following
10 . . . (2) to prepare derivative works based upon the copyrighted works.” 17 U.S.C.
11 § 106(2). Thus, UMC has the substantive right, under U.S. law, not only to make
12 derivative works based on the Ultraman works covered by the 1976 Agreement,
13 *see id.*, but also to sue for copyright infringement based on TPC’s violation of
14 UMC’s exclusive right to make such derivative works, *see* 17 U.S.C. § 501(a).

15 The Japanese courts were not presented with U.S. law as to the rights of
16 exclusive licensees of copyright interests, and they did not rule on the scope of
17 such rights. The Japanese courts’ failure to consider the legal issue presented by
18 this case, coupled with the fact that the Japanese courts generally do not recognize
19 issue preclusion, means that the Court should not apply issue preclusion to any
20 statements made by the Japanese courts as to the rights to make derivative works
21 or to sue for infringement of the works covered by the 1976 Agreement.

22 **C. Genuine Issues of Material Fact Preclude Summary Judgment on**
23 **the Issue Whether the 1976 Agreement Conveys the Right to**
Make Adaptations.

24 While TPC broadly seeks summary judgment “on the interpretation of” the
25 1976 Agreement, its argument is directed towards the issue whether that
26 Agreement conveys the right to make adaptations, not to UMC’s rights as the
27 exclusive licensee of the copyrights of the original Ultraman works. Dkt. 136 at
28

1 16:6 – 18:21. TPC is therefore not entitled to summary judgment as to UMC’s
2 rights under U.S. copyright law as an exclusive licensee of those copyrights.

3 As TPC concedes, Dkt. 136 at 16:11-17, summary judgment on issues of
4 contractual interpretation is unavailable where the contract terms are unclear or
5 ambiguous, requiring interpretation by reference to extrinsic evidence. *See Welles*
6 *v. Turner Entmt. Co.*, 503 F.3d 728, 735-37 (9th Cir. 2007). Because the 1976
7 Agreement does not unambiguously support TPC’s narrow interpretation and it is
8 necessary to consider extrinsic evidence such as the position of the parties at the
9 time of that Agreement, summary judgment must be denied.

10 TPC argues that: (1) “[t]he rights listed in Article 3 of the alleged 1976
11 Document include certain ‘copyright’ and ‘trademark’ rights relating to the
12 licensed Ultraman works (e.g., ‘reproduction’ and ‘broadcast’)”; (2) “[i]t is
13 undisputed . . . that the document does not include *all* available rights under
14 copyright”; and (3) “[i]n particular, the listed rights *do not include* the rights to
15 make ‘derivative’ works or ‘adaptations’ based on the licensed works identified in
16 Article 1.”¹⁹ Dkt. 136 at 17:22 – 18:1 (emphasis in original). However, the 1976
17 Agreement expressly identifies the rights conveyed by the 1976 Agreement as
18 including “*Copyright*,” AF 37 (emphasis added), a term which on its face includes
19 all express rights under copyright (including the right to make new or derivative
20 works), *see* Ejiri Decl., ¶¶ 26-27. TPC makes no attempt to explain why the finder
21 of fact could not construe the reference to the license of “Copyright” rights in the
22 1976 Agreement as a license of all copyright rights. The 1976 Agreement’s
23 express conveyance of “Copyright” – a term that includes the reproduction right
24

25 ¹⁹ The excerpts cited by TPC from Mr. Ejiri’s deposition, Dkt. 136 at 17:24 – 18:1,
26 do not support TPC’s claims. In the first excerpt, Mr. Ejiri testified as to the
27 different rights under Japanese copyright law, not as to rights conveyed by the
28 1976 Agreement. *See* Ejiri Depo. at 49:6-23 (Ex. T to Posner Decl. [Dkt. 138-3]).
In the second excerpt, Mr. Ejiri testified that the words “remake,” “derivative,”
“new work,” and “adaptation” did not appear in the 1976 Agreement, not that such
rights were not conveyed by the 1976 Agreement. *See id.* at 69:2-17.

1 under Japanese law, which conveys the right to create derivative works, *see* Ejiri
2 Depo. at 50:11 – 51:24 (Ex. T to Posner Decl. [Dkt. 138-3]) – creates a genuine
3 issue of material fact precluding summary judgment.

4 TPC argues that “UMC’s expert on Japanese law admitted, consistent with
5 Japanese copyright law, that the ‘reproduction’ right does not include the right to
6 create derivative works.” Dkt. 136 at 18:1-10. However, Mr. Ejiri opined that the
7 parties must have intended Section 3.7’s provision conveying rights to
8 “Reproduction of all models and characters used in the production of the films
9 mentioned in article 1 under the original character by any material and in any form
10 for commercial purposes” to have a different – and broader – meaning than the
11 term “Reproduction” as used in Section 3.3.²⁰ *See* Ejiri Decl., ¶¶ 14-19. TPC
12 points to Mr. Ejiri’s testimony that he was unaware of any authority under
13 Japanese law on the interpretation of the same word in different ways, Dkt. 136 at
14 18-19 n.3, but Mr. Ejiri’s inability at deposition to cite specific authority is not a
15 statement that no such authority exists; TPC has introduced no authority to dispute
16 Mr. Ejiri’s opinion as to Japanese law on this point.²¹

17 TPC does not dispute Mr. Ejiri’s opinions that: (1) contractual language
18 drafted by laymen should be construed from the perspective of laymen, not
19

20 ²⁰ TPC does not dispute Mr. Ejiri’s opinion that the Japanese courts based their
21 opinion on the translation of the term “Reproduction” in Section 3.7 as the term of
22 art that appears in the Copyright Act of Japan. *See* Ejiri Decl., ¶ 17. In response to
23 Mr. Ejiri’s opinion that the Japanese courts reached an incorrect result because of
24 this erroneous translation, *see id.*, TPC contends that “the parties used the word
25 ‘reproduction’ the same way in Articles 3.3 and 3.7, but referred to the
26 ‘reproduction’ of different things in each,” Dkt. 136 at 18-19 n.3. TPC’s
27 interpretation ignores the fact that Section 3.7 authorizes reproduction “by any
28 material and in any form for commercial purposes,” AF 37 – an express
authorization of the right to create derivative works.

²¹ If the parties have failed to prove Japanese law on this point, the court “may say
that the parties have acquiesced in the application of the local law of the forum.”
Minebea Co., Ltd. v. Papst, 444 F. Supp. 2d 68, 185 (D.D.C. 2006). Under U.S.
law, the same term is to be construed differently when used in different provisions
if necessary to prevent a provision from being rendered superfluous. *See* Cal. Civ.
Code § 1641 (“[t]he whole of a contract is to be taken together, so as to give effect
to every part, if reasonably practicable, each clause helping to interpret the other”).

1 attorneys; (2) it is necessary when interpreting an agreement to consider the
2 circumstances of its creation to determine the parties' true intent; and (3) TPC's
3 poor financial condition at the time of the 1976 Agreement could explain the broad
4 grant of rights in that Agreement.²² See Ejiri Decl., ¶¶ 11, 18-19. If there is any
5 ambiguity as to whether the 1976 Agreement conveys rights to make adaptations –
6 and there is, for the reasons discussed above – summary judgment must be denied.

7 **II. THE COURT SHOULD DENY SUMMARY JUDGMENT ON UMC'S**
8 **CLAIM FOR COPYRIGHT INFRINGEMENT.**

9 TPC's motion for summary judgment against UMC's claim for copyright
10 infringement is premised on the argument that "[a]ssuming that UMC has any
11 valid copyright interest in the U.S. in any Ultraman work, that interest is—
12 consistent with the contract interpretation discussed above—limited to the *original*
13 Ultraman works, and does not extend to any *new or derivative* works. Thus, to
14 prevail on its copyright infringement claim, UMC must prove that, since May 19,
15 2012, TPC has violated UMC's alleged exclusive rights in the *original* Ultraman
16 works within the U.S." Dkt. 136 at 19:14 – 20:2 (emphasis in original).

17 Under the law discussed above, as the exclusive licensee in the United States
18 to the copyrights in the original Ultraman works, UMC holds the rights conveyed
19 under Section 106, including the right to sue for infringement of the original
20 works. TPC's implication to the contrary, a claim for copyright infringement is not
21 limited to one for actual copying of the copyrighted work. To the contrary, a party
22 may prove copyright infringement by showing that the allegedly infringing work is
23 substantially similar to the copyrighted work.²³ TPC has not introduced evidence

24 _____
25 ²² As shown in UMC's evidentiary objections filed concurrently herewith, the
26 declaration from TPC's legal expert, Toshiaki Iimura, should be excluded because:
27 (1) he is, as a judge who previously ruled on the parties' dispute, ethically barred
28 under Japanese and U.S. law from serving as an expert in this matter; and (2) he is
in any event unwilling to offer any expert testimony independent from what the
Japanese courts ruled.

²³ More precisely, a plaintiff may prove infringement by showing (1) ownership of
a valid copyright (as discussed above, status as an exclusive licensee confers the

1 to satisfy its initial burden of showing the absence of a genuine issue of material
2 fact as to whether Ultraman works that it has distributed in the United States since
3 May 19, 2012 are substantially similar to the original Ultraman works. *See Celotex*
4 *Corp. v. Catrett*, 477 U.S. 317, 323 (1986). Accordingly, TPC's motion for
5 summary judgment as to UMC's claim for copyright infringement must be denied.

6 **III. THE COURT SHOULD DENY SUMMARY JUDGMENT ON UMC'S**
7 **CLAIM FOR BREACH OF CONTRACT.**

8 **A. Neither Comity Nor Res Judicata Bars UMC's Claim for Breach**
9 **of Contract.**

10 For the reasons discussed above, the Court should decline to apply
11 international comity or to afford issue preclusive effect to a holding as to which the
12 Japanese courts would not afford issue preclusive effect.

13 TPC asks the Court to "apply res judicata to preclude UMC from raising its
14 breach of contract claim here." Dkt. 136 at 21:3-8. However, "[a] claim arising
15 after the date of an earlier judgment is not barred [by res judicata], even if it arises
16 out of a continuing course of conduct that provided the basis for the earlier claim."
17 *Frank v. United Airlines, Inc.*, 216 F.3d 845, 851 (9th Cir. 2000) (citing *Lawlor v.*
18 *National Screen Serv. Corp.*, 349 U.S. 322, 328 (1955), for the proposition that a
19 judgment cannot extinguish claims that did not exist and could not have been sued
20 upon in the previous case). The second Japanese lawsuit sought damages for
21 breaches of contract occurring up to May 26, 2006, the date of service of the
22 complaint in that lawsuit, Dkt. 141-4, at 1-2, while this lawsuit seeks damages for
23 breaches of contract occurring since May 19, 2010, Dkt. 136 at 21:23-25. Thus,
24 claim preclusion does not apply because UMC's claims are based upon conduct

25
26 right to sue for copyright infringement) and (2) the copying of constituent elements
27 of the work that are original. *See Feist Pubs., Inc. v. Rural Tel. Serv. Co.*, 499 U.S.
28 340, 361 (1999). In turn, a plaintiff may prove copying by showing that (1) the
defendant had access to the copyrighted works and (2) the works are substantially
similar in ideas and expression. *See, e.g., Benay v. Warner Bros. Entmt., Inc.*, 607
F.3d 620, 624 (9th Cir. 2010).

1 occurring after the date of the earlier judgment, and TPC therefore must rely upon
2 issue preclusion – not claim preclusion – in support of its argument that the
3 Japanese Judgments should bar UMC’s claims. For the reasons stated above,
4 however, issue preclusion is unavailable here.

5 **B. Genuine Issues of Material Fact Preclude Summary Judgment on**
6 **UMC’s Claim for Breach of Contract.**

7 TPC argues that it is entitled to summary judgment against UMC’s claim for
8 breach of contract because the 1976 Agreement allegedly grants rights to only the
9 works identified in the 1976 Agreement, and TPC claims it has not distributed or
10 displayed any of the “‘original’ Ultraman works” outside of Japan since May 19,
11 2010 and it therefore has not violated UMC’s rights under the 1976 Agreement.
12 Dkt. 136 at 21:19 – 22:8. As shown above, however, the 1976 Agreement gives
13 UMC exclusive exploitation rights that, properly interpreted, extend to Ultraman
14 works in addition to those identified in the 1976 Agreement. TPC has introduced
15 no evidence to show that it has not, since May 19, 2010, outside of Japan
16 distributed Ultraman works as to which UMC has rights under the appropriate
17 interpretation of the scope of rights conveyed by the 1976 Agreement.²⁴

18 **C. Issue Preclusion Does Not Apply to the Japanese Court’s Ruling**
19 **on the Bandai Non-Contravention Agreement.**

20 TPC implies that the Court should apply issue preclusion to find that
21 “Sompote had effectively waived his right to enforce the alleged 1976 Document
22 under the [Bandai] Non-Contravention Agreement.” Dkt. 136 at 20:23-26. As
23 discussed above, the Japanese courts would not apply the doctrine of good faith to
24 give issue preclusive effect to the statements about the Bandai Non-Contravention

25 ²⁴ Even under TPC’s interpretation of the scope of rights conveyed by the 1976
26 Agreement, TPC would not be entitled to summary judgment because its definition
27 of the term “‘original’ Ultraman works” excludes three of the works identified in
28 the 1976 Agreement [Dkt. 138-1, Ex., A, Art. 2] – the two movies and Jamborg
Ace. See Declaration of Kei Minamitani, ¶ 3 [Dkt. 140]. As a result, TPC’s
evidence that “since 2010, TPC has not distributed any of the original Ultraman
works in any country other than Japan,” *id.*, does not show that TPC has not
distributed any of the works identified in the 1976 Agreement since 2010.

1 Agreement because, among other things, the Japanese courts were not asked to
2 consider the effect of the two documents related to the Bandai Non-Contravention
3 Agreement. *See* Ejiri Decl., ¶¶ 29-36, 60. Accordingly, the Court should not
4 afford issue preclusive effect to the Japanese court's ruling as to that Agreement.

5 Furthermore, even under U.S. law, issue preclusion applies only when the
6 issue as to which estoppel is sought is identical to an issue litigated in the prior
7 lawsuit. *See In re Reynoso*, 477 F.3d 1117, 1122 (9th Cir. 2007). The Intellectual
8 Property High Court's July 27, 2011 Judgment addressed the issue whether the
9 claims were barred by the Bandai Non-Contravention Agreement, standing alone.
10 *See id.* at 697-704, 712-18. Here, the Court is being asked to consider a different
11 issue – whether the claims are barred by the three documents entered into
12 concurrently. Reading the three documents together, it is apparent that Sompote
13 did not release claims against TPC, but instead required Bandai's subsidiary
14 Megahouse to obtain a license for the Ultraman works if Sompote were to prove
15 the validity of the 1976 Agreement. *See* Ejiri Decl., ¶¶ 29-37; AF 52-53. In any
16 event, the Intellectual Property High Court's finding that the parties intended the
17 Bandai Non-Contravention Agreement to waive claims against TPC because TPC
18 was a shareholder of Bandai is erroneous on its face, given that (1) TPC was a
19 shareholder of Bandai at the time of that Agreement, (2) Sompote had pending
20 claims against TPC that he did not dismiss in accordance with Section 2.2 of the
21 Bandai Non-Contravention Agreement, and (3) Sompote continued to pursue these
22 claims against TPC for more than a decade without any claim by TPC that such
23 claims had been waived. *See* Ejiri Decl., ¶¶ 38-49.

24
25 **D. UMC's Claim for Breach of Contract is Not Preempted by the Copyright Act.**

26 TPC's argument that UMC's claim for breach of contract is preempted by
27 the Copyright Act, Dkt. 136 at 22:9 – 23:10, disregards that the Act provides for
28 preemption of only rights “under the common law or statutes *of any State.*” 17

1 U.S.C. § 301 (emphasis added). UMC’s claim for breach of contract arises out of
2 Japanese law. TPC cites no authority suggesting the Copyright Act preempts a
3 claim brought under foreign law, and UMC is not aware of any such authority.

4 Furthermore, the Ninth Circuit and the other circuit courts “have long
5 recognized that a contractually-based claim generally possesses the extra element
6 necessary to remove it from the ambit of the Copyright Act’s express preemption
7 provision.”²⁵ *Ryan v. Editions Ltd. West, Inc.*, 786 F.3d 754, 761 (9th Cir. 2015)
8 (citing *ProCD, Inc. v. Zeidenberg*, 86 F.3d 1447, 1454 (7th Cir. 1996), as finding
9 that copyrights are different from contracts because “[a] copyright is a right against
10 the world. Contracts, by contrast, generally affect only their parties; strangers may
11 do as they please, so contracts do not create ‘exclusive rights.’”). Here, too,
12 UMC’s claim for breach of contract against TPC is based not on UMC’s exclusive
13 rights as against the world to exploit the copyrights, but on TPC’s breach of
14 contractual obligations it owed to UMC alone.

15 Even assuming *arguendo* that the Copyright Act preempts UMC’s claim for
16 breach of contract insofar as it seeks relief for infringing conduct within the U.S.,
17 as a matter of Ninth Circuit law the Copyright Act “does not preempt causes of
18 action premised upon possible extraterritorial infringement.” *Allarcom Pay*
19 *Television, Ltd. v. Gen. Instrument Corp.*, 69 F.3d 381, 387 (9th Cir. 1995). *See* 1
20 M. Nimmer & D. Nimmer, *Nimmer on Copyright*, § 1.01[B], at 1-9 n. 40 (2016)
21 (“[g]iven the territorial limitation of rights created under § 106 . . . , allegations of
22 copyright infringement occurring abroad are not equivalent to the exclusive rights
23 specified under § 106, and hence are not subject to pre-emption”) (citing *Allarcom*
24 *Pay Television, Ltd.*, 69 F.3d at 387). UMC’s claim for breach of contract is

25 ²⁵ *Maloney v. T3Media, Inc.*, 853 F.3d 1004, 1019 (9th Cir. 2017), cited by TPC for
26 the general elements of preemption, Dkt. 136 at 22:22-25, did not involve a claim
27 for breach of contract. The two cases cited by TPC as showing the Copyright Act
28 can preempt claims for breach of contract, Dkt. 136 at 23:1-10, are district court
cases that pre-date *Ryan*. *See Jacobsen v. Katzer*, 609 F. Supp. 2d 925, 933 (N.D.
Cal. 2009); *Morris v. Atchity*, 2009 WL 463971, at *8 (C.D. Cal. Jan. 13, 2009).

1 premised on TPC's exploitation of the Ultraman Works *outside of Japan*, not just
2 in the United States. *See* Complaint [Dkt. 1], ¶ 44. UMC's claim for breach of
3 contract is not preempted insofar as it is based upon sales of infringing works
4 outside of the U.S., even if preemption otherwise applied (and it does not).

5 **IV. THE COURT SHOULD DENY SUMMARY JUDGMENT ON UMC'S**
6 **CLAIM FOR INTENTIONAL INTERFERENCE WITH CONTRACT.**

7 **A. There are Genuine Issues of Material Fact as to UMC's Claim for**
8 **Intentional Interference with Contract.**

9 As TPC acknowledges, UMC's claim for intentional interference with
10 contract is based on TPC's interference with UMC's contracts with third-party film
11 distributors and licensees, including TIGA, GMG, and Veranda. Dkt. 136 at 24:3-
12 5. UMC had a licensing agreement with TIGA under which TIGA served as
13 UMC's agent for licensing and paid UMC 70% of foreign revenues. AF 56. TPC
14 claims that there is no evidence that it knew of any contract between UMC and
15 TIGA, Dkt. 136 at 24:7-8, but the September 24, 2014 e-mail that Veranda sent to
16 TPC showed that TIGA was acting as agent for UMC in licensing Ultraman works
17 to GMG. AF 60. TPC disrupted UMC's contractual relationship with TIGA, *see*
18 *Pac. Gas & Elec. Co. v. Bear Stearns & Co.*, 50 Cal. 3d 1118, 1126 (1990),
19 through its actions causing GMG to withhold monies that it was to pay TIGA for
20 Ultraman Taro, and Veranda to pull content from YouTube, thereby depriving
21 UMC of the 70% share of such payments that it was to receive from TIGA. AF 61.

22 As TPC also acknowledges, Dkt. 136 at 23:23 – 24:2, an intended third-
23 party beneficiary of a contract may pursue a claim for interference with that
24 contract. “For a third party to qualify as a beneficiary under a contract, the
25 contracting parties must have intended to benefit that third party, and their intent
26 must appear from the terms of the contract.” *Ascherman v. General Reins. Corp.*,
27 183 Cal. App. 3d 307, 311 (1986). “[A] third party may enforce a contract where
28 he shows that he is a member of a class of persons for whose benefit it was
made.” *Spinks v. Equity Residential Briarwood Apartments*, 171 Cal. App. 4th

1 1004, 1023 (2009). Here, the August 1, 2014 License Agreement between GMG
2 and TIGA included a representation obliging TIGA to pay all remuneration due to
3 any party for rights in connection with the licensed programs. AF 58. UMC was
4 part of the class of persons for whose benefit that provision was included. Thus,
5 there are genuine issues of material fact precluding summary judgment against
6 UMC's interference claim.

7 Finally, TPC is wrong in claiming that UMC's position is that TPC
8 committed interference "by posting an Ultraman work to YouTube." Dkt. 136 at
9 24:23-24. UMC's position is that TPC committed interference by falsely claiming
10 that UMC did not have rights to license Ultraman works.²⁶ TPC's claim that it had
11 no knowledge of GMG at the (unspecified) time that TPC posted videos to
12 YouTube is irrelevant to UMC's interference claim, which is based on TPC's
13 conduct causing GMG to withhold payments for Ultraman Taro that were due
14 under a contract entered into as of August 1, 2014.²⁷ See Posner Decl., Ex. N.

15
16 **B. UMC's Claim for Intentional Interference with Contract is Not
Preempted by the Copyright Act.**

17 TPC argues that UMC's interference claim is preempted by the Copyright
18 Act. Dkt. 136 at 25:1-23. Copyright preemption applies only to a claim that seeks
19 to assert rights that are "equivalent to any of the exclusive rights within the general
20 scope of copyright as specified by section 106." 17 U.S.C. § 301(b)(3). UMC's
21 interference claim asserts that TPC interfered with UMC's contractual
22 relationships by falsely claiming that UMC did not have rights to license Ultraman
23

24 ²⁶ TPC cannot defeat UMC's interference claim with regard to Veranda by arguing
25 that Veranda approached TPC and that Veranda "voluntarily remove[d]" the
26 Ultraman works from YouTube to avoid a copyright dispute, Dkt. 36 at 24:17-22 at
24:17-22; the facts demonstrate that TPC, after having been contacted by Veranda,
committed interference by representing that UMC had no rights to license.

27 ²⁷ As stated above, the September 24, 2014 e-mail from Veranda referred to the
28 license relationship between TIGA, as UMC's agent, and GMG. Posner Decl., Ex.
J [Dkt. 138-2 at 13].

works.²⁸ Such “claim[] do[es] not arise out of rights granted under the Copyright Act, but rather arise[s] out of contractual relations, and so [is] not federally preempted.” *General Mills, Inc. v. Filmtel Int’l Corp.*, 577 N.Y.S.2d 384, 385-86, 178 A.D.2d 296, 296-97 (1991) (Copyright Act did not preempt interference claim based upon defendant’s assertion that plaintiff did not own right to license work).²⁹ UMC’s interference claim is therefore not preempted.

CONCLUSION

For the reasons set forth herein, UMC respectfully asks the Court to deny TPC’s motion in its entirety.

Dated: June 23, 2017

MICHAEL CHIBIB, P.C.
JEFFREY D. WEXLER
TIMOTHY RAWSON
PILLSBURY WINTHROP SHAW
PITTMAN LLP

By: /s/ Jeffrey D. Wexler

Jeffrey D. Wexler
Attorneys for Plaintiff and Counterdefendant
UM CORPORATION and
Counterdefendants GOLDEN MEDIA
GROUP, INC. and TIGA
ENTERTAINMENT COMPANY, LTD.

²⁸ TPC is flatly wrong in claiming that: (1) “the core of UMC’s interference claim is TPC’s alleged unauthorized display of Ultraman works through YouTube and its subsequent assertion of copyright ownership”; and (2) “UMC identifies the same conduct in its copyright infringement claim.” Dkt. 136 at 25:12-18 (quoting Dkt 1, ¶¶ 36, 50). UMC’s interference claim is based solely on TPC’s assertions that it – not UMC – held rights as to the original Ultraman works, Dkt. 1, ¶ 50, and UMC’s claim for copyright infringement is based solely on the unauthorized display of Ultraman works, *id.*, ¶ 36.

²⁹ *Maloney*, 853 F.3d at 1009, cited by TPC as allegedly stating the standard for copyright preemption of interference claims, Dkt. 136 at 25:3-7, did not involve an interference claim. The other two cases cited by TPC involved interference claims that were based upon the copying of copyrighted works. *See Stromback v. New Line Cinema*, 384 F.3d 283, 306-07 (6th Cir. 2004); *Media.net Advert. FZ-LLC v. NetSeer, Inc.*, 156 F. Supp. 3d 1052, 1072 (N.D. Cal. 2016). TPC has cited no authority that held or suggested that the Copyright Act preempts interference claims based upon false statements that the plaintiff does not hold copyright rights – statements that do not violate any of the exclusive rights contained in Section 106 of the Copyright Act.